

Message Text

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PAGE 01 GUATEM 01911 061943Z

43

ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 IGA-02 SSO-00 NSCE-00 USIE-00

INRE-00 CIAE-00 PM-04 H-02 INR-07 L-03 NSAE-00 NSC-05

PA-01 PRS-01 SP-02 SS-15 OMB-01 TRSE-00 EB-07 /066 W

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O R 061825Z MAR 76

FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC IMMEDIATE 698

SECDEF IMMEDIATE

INFO JCS

USCINCSO

LIMITED OFFICIAL USE GUATEMALA 1911

EO 11652: N/A

TAGS: SWEL GT MASS US

SUBJECT: GUATEMALAN REQUEST FOR HELICOPTERS AND SPARE PARTS

REF: STATE 52188

1. SUMMARY: PRESIDENT LAUGERUD WAS DISAPPOINTED BY US INABILITY PROVIDE GRANT FUNDING FOR TWO UH-1H HELICOPTERS AND SPARE PARTS HE HAD DISCUSSED WITH SECRETARY KISSINGER, BUT ACCEPTS OFFER OF \$1.5 MILLION FMS CREDIT AND OUR RECOMMENDATION THAT IT BE USED TO FINANCE PURCHASE OF TWO HELICOPTERS AND AS MANY OF DESIRED SPARE PARTS AS POSSIBLE WITH WHATEVER IS LEFT OVER. SEPTELS WILL INITIATE FMS PROCUREMENT. WE WILL RECOMMEND THAT NORMAL PROCEDURES BE WAIVED IN RESPONSE TO PRESIDENT LAUGERUD'S STRESS ON URGENCY OF NEED. PRESIDENT PLEASED WITH PROGRESS OF US ENGINEER BATTALION AND HOPES TAKE GUATEMALAN PRESS ON TOUR OF WORK MARCH 10.
END SUMMARY

2. AS INSTRUCTED BY AMBASSADOR, COMUSMILGP CALLED ON COLONEL DE LA CRUZ, CHIEF OF THE PRESIDENTIAL MILITARY STAFF AT THE CASA PRESIDENCIAL AT 100 HOURS MARCH 5.

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PAGE 02 GUATEM 01911 061943Z

HE EXPLAINED CONTENTS OF STATE 052188. DE LA CRUZ EX-

CUSED HIMSELF AND LEFT THE SITTING ROOM AND PRESIDENT APPEARED ABOUT TWO MINUTES LATER. CONVERSATION CONTINUED WITH ONLY COL. CORBETT AND THE PRESIDNET IN ROOM.

3. COLONEL CORGETT GAVE THE PRESIDENT A RESUME OF REFTEL AND EXPLAINED IN SOME DETAIL THE PROBLEMS INVOLVED IN FUNDING A GRANT UNDER AID OR MAP. PRESIDENT ASKED HOHK MUCH GRANT MATERIAL MONEY WOULD BE AVAILABLE IN NEXT FISCAL YEAR AND CORBETT TOLD HIM IT WOULD INSIGNIFICANT IF AVAILABLE AT ALL AND RECOMMENDED THAT GOG TAKE ADVANTAGE OF \$1.5 MILLION IN FMS CREDITS THAT IS AVILABLE FOR GUATEMALA IN FY 1976 TO PURCHASE THE TOW UH1H AND AS MUCH OF THE SPARE PARTS PACKAGE AS SUM WOULD ALLOW. CORBETT UNDERSTOOD GAF WAS PICKING UP IN MIAMI ON MARCH 8 17,000 POUNDS OF SUPPLIES, INCLUDING 4 ROTOR BLADES AND OTHER HELICOPTER PARTS FROM EXISTING FMS CASES, AND THA PHYSICAL COMPARISON OF THIS SHIPMENT AGAINST PARTS LIST ORIGINALLY REQUESTED (GUATEMALA 1649) WOULD PROBABLY REDUCE SIGNIFICANTLY THE LATTER.

4. PRESIDENT INQUIRED ABOUT COST OF UH-1H. CORBETT REPLIED WE DID NOT HAVE A DEFINITE COST BUT, DRAWING ON REFTEL, ESTIMATED THE TWO AT 1.1 OR 1.2 MILLION. PRESIDENT ASKED IF CREDIT WOULD BE GOVERNMENT TO GOVERNMENT, ADDING THAT GUATEMALAN MILITARY DEALS WITH PRIVATE FIRMS IN THE PAST HAD RESULTED IN THEIR "BEING EATEN ALIVE" ON INTEREST RATES. CORBETT SAID IT WOULD BE GOVERNMENT TO GOVERNMENT WITH INTEREST RATES AND TERMS IN ACCORDANCE WITH CURRENT PROCEDURES.

5. PRESIDENT SAID GUATEMALA WAS FACING A VERY LENGTHY AND COSTLY PERIOD OF RECONSTRUCTION AND THAT HIS ESTIMATE OF THE TIME AND COST HAD INCREASED CONSIDERABLY SINCE HE SPOKE TO SECRETARY KISSINGER. HE NOW ESTIMATES THAT IT WILL TAKE 10 YEARS AND COST \$1 BILLION. INCREASED ESTIMATE GROWS OUT OF TWO FACTORS; REFINED ESTIMATES OF AMOUNT OF RUBBLE TO BE REMOVED, WHICH HE DESCRIBED AS "ENORMOUS", AND SHRPLY RISING PRICES FOR CONSTRUCTION WORK IN A SELLER'S MARKET. HE SAID COSTS HAD ALREADY INCREASED LIMITED OFFICIAL USE

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PAGE 03 GUATEM 01911 061943Z

FROM \$1.30 PER HOUR TO \$4.00. CORBETT COMMENTED THAT SOME RISES WERE PROBABLY INEVITABLE IN A FREE MARKET SOCIETY AND PRESIDENT SAID THE ALTENATIVE WAS A "TIRANFA" LIKE SOVIET UNION. HE ALSO SAID MORE "PAYLOADERS" AND TRUCKS WOULD HAVE TO BE PURCHASED AND THE \$20 MILLION HE HAD ALLOCATED FOR RUBBLE REMOVAL WAS CLEARLY NOT GOING TO BE ENOUGH.

6. FOLLOWING THIS DIGRESSION PRESIDENT RETURNED TO HELICOPTER PURCHASE. HE SAID THEY WERE GOING TO BE ABSOLUTELY ESSENTIAL IN RAINY SEASON WHEN WE COULD EXPECT MORE LANDSLIDES DESPITE BEST EFFORTS NOW BEING MADE. DESPITE MANY DEMANDS ON GUATEMALA'S RESOURCES HE FELT THIS WAS A PRIORITY NEED, AND HE ACCEPTED WITH APPRECIATION THE OFFER OF 1.5 MILLION IN FMS CREDITS. GOG WOULD LIKE TO APPLY THE CREDIT IMMEDIATELY TO PURCHASE OF TWO UH-1H HELICOPTERS AND AS MUCH OF A REVISED SPARE PARTS LIST AS TOTAL WOULD COVER. HE ASKED THAT DELIVERY BE EXPEDITED TO THE EXTENT POSSIBLE AND THAT TERMS AND INTEREST RATE BE AS GENEROUS AS POSSIBLE. CORBETT SAID WE WOULD INITIATE NECESSARY ACTION.

7. SURPRISINGLY PRESIDENT THEN ASKED WHETHER MOD HAD TALKED TO US ABOUT A REPLACEMENT A-37-B FOR THE ONE THAT HAD BEEN LOST BEFORE THE EARTHQUAKE. AT CORBETT'S LOOK OF UTTER SURPRISE HE QUICKLY ADDED THIS WAS NOT A MATTER OF LIFE OR DEATH BUT HE WAS INTERESTED IN MAINTAINING THE SQUADRON AT FULL STRENGTH OF 12 PLANES AND THAT LATER WHEN IT WAS CONVENIENT HE WOULD APPRECIATE CORBETT'S TALKING TO THE MINISTER ON THE SUBJECT.

8. PRESIDENT THEN TURNED TO A PROJECT WHICH HE SAID HAD BEEN ON HIS MIND FOR SOME TIME. HE WOULD LIKE TO VISIT THE ENGINEER WORK SITES ON THE ATLANTIC ROAD ON MARCH 10 IN THE COMPANY OF AMBASSADOR AND COLONEL CORBETT. HE WANTS TO BRING ALONG SOME JOURNALISTS INCLUDING AMONG THEM SEVERAL (HERE HE USED A GRAPHIC GUATEMALAN EXPLETIVE) "LEFTISTS." HE SPECIFICALLY MENTIONED TV NEWSMAN MARIO SOLORZANO AND IMPACTO EDITOR OSCAR MARROQUIN MILLA. HE SAID THEY HAVE LONG DENIGRATED THE US AND ITS ARMED FORCES OVER "VIETNAM, NAPALM, FLECHETTES, ETC." AND USE LIMITED OFFICIAL USE

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PAGE 04 GUATEM 01911 061943Z

"IMPERALISTS" AS A SYNONYM FOR UNITED STATES. HE WANTS THEM TO HEAR A COMPLETE BRIEFING OF WHAT ENGINEER BATTALION IS DOING, "WORKING SEVEN DAYS A WEEK IN THE DUST" TO ASSIST GUATEMALA, ARMED NOT WITH NAPALM AND FLECHETTES BUT WITH BULLDOZERS AND CRANES. HE WANTS THEM PHYSICALLY TO VISIT AS MANY WORK SITES AS POSSIBLE, TO "GET INTO THE DUST" TO APPRECIATE MAGNITUDE OF GESTURE BEING MADE BY US.

9. CORBETT TOLD HIM THAT HE WOULD INDEED EXTEND THIS INVITATION TO AMBASSADOR AND MAKE NECESSARY ARRANGEMENTS. HOWEVER, WE WOULD HAVE ONLY TWO HELICOPTERS AVAILABLE AT MOST SINCE REMAINDER HAD TO RETURN TO CANAL ZONE MARCH 7. CORBETT SUGGESTED THAT PRESS BE TRANSPORTED TO MAIN ENGINEER BASE CAMP BY CAR OR BUS (40-50 MINUTE TRIP), BRIEFED AND

THEN TAKEN TO AGUA CALIENTE BRIDGING SITE (10 MINUTES) FOR CLOSE INSPECTION OF MOST DRAMATIC PROJECT. PRESIDENT WAS NOT SATISFIED WITH THE ALTERNATIVE; HE WANTS THEM TO SEE THE ENTIRE PROJECT, INCLUDING SLIDE REMOVAL WORK BETWEEN AGUA CALIENTE AND EL PROGRESO. CORBETT THEN SUGGESTED THAT PERHAPS WE COULD LOATE SOME STRIPS ON WHICH GAF ARAVAS COULD LAND ALONGSIDE WORK SITES. (PRESIDENT HAD PREVIOUSLY SAID THAT DESPITE WHAT I MIGHT HAVE HEARD, NO GAF HELICOPTERS WOULD BE FLYABLE BY MARCH 10.) PRESIDENT AGREED TO ARAVA PROPOSAL AND ASKED THAT WE WORK OUT SOME SOLUTION WITH GAF THAT WOULD PERMIT A COMPLETE TOUR.

10. EXCEPT FOR HIS INITIAL VERY OBVIOUS DISAPPOINTMENT OF BEING DENIED THE GRANT HE HAD DISCUSSED WITH SECRETARY KISSINGER, THE PRESIDENT WAS VERY WARM AND COMPLETELY INFORMAL, AND ENDED THE CONVERSATION WITH AN ABRAZO.

11. SEPTELS EARLY NEXT WEEK WILL INITIATE ACTION ON FMS PROCUREMENT OF TWO HELICOPTERS. WE WILL BE ASKING THAT NORMAL PRICE AND AVAILABILITY PROCEDURES BE WAIVED AND THAT CONTRACTS BE MAILED EXPEDITIOUSLY TO COMUSMILGP FOR SIGNATURE HERE BY APPROPRIATE GOG OFFICIALS. AS SOON AS EXACT PRICE OF TWO UH-1HS IS KNOWN, WE WILL RECOMMEND THAT REMAINDER OF \$1.5 MILLION BE USED TO INITIATE FMS CASE FOR PARTS.

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PAGE 05 GUATEM 01911 061943Z

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